

## SECTION 1

# START-UP

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## **INTRODUCTION**

The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) has established regulations to carry out the intent of Congress that nutritious meals or milk be available to every school student regardless of the household's ability to pay. This handbook sets forth guidelines for school officials responsible for determining eligibility for free and reduced-price meals in schools that participate in the National School Lunch and School Breakfast Programs (including commodity schools and after school snacks) and for free milk in schools that participate in the Special Milk Program exercising the free milk option or that provide free milk to eligible kindergarten children who do not have access to the lunch or breakfast program.

All local education agencies (LEAs) being reimbursed for free, reduced-price and paid meals **MUST** have adequate documentation on file to support the claim for reimbursement. Those that participate in the Special Milk Program implementing the free milk option are required to have the same documentation that is required for free meals.

## GLOSSARY OF TERMS

**CACFP:** Child and Adult Care Food Program.

**Cash Assistance Unit (CA):** any individual or group of individuals currently certified to receive assistance under the Cash Assistance Program in a State where the standard of eligibility for benefits does not exceed the income eligibility guidelines for free meal or milk benefits.

**Cashier:** an individual who takes tickets, cash or other media of exchange from students receiving free, reduced-price or paid meals. The term "cashier" is also used to reflect the individual who, through use of a roster, checklist, computerized identification system or other non-cash medium of exchange, identifies the eligibility status of students receiving free meals or milk, reduced-price meals and paid meals or milk.

**Categorical Eligibility:** All homeless, runaway, and migrant children are categorically eligible for free meals once identified by a homeless education liaison, shelter director, migrant education coordinator, or other appropriate official. Once identified, such children do not have to submit an application to receive free meals.

**CFR:** Code of Federal Regulations. Child nutrition regulations are contained in title 7 of the Code of Federal Regulations.

**Commodity School Program:** program under which participating schools operate a nonprofit lunch program and receive donated food assistance in lieu of general cash assistance.

**DES:** Arizona Department of Economic Security.

**Direct Certification:** the process of establishing children's eligibility for benefits by obtaining documentation directly from the DES. Households determined eligible for meal or milk benefits through direct certification are not required to submit a free and reduced-price application to the school; schools have access to CNP Direct Certification System that allows them to download and verify students receiving DES benefits.

**FDPIR (Food Distribution Program on Indian Reservations):** families on certain Indian Reservations who meet Food Stamp income guidelines to receive commodity foods.

**FNS (Food and Nutrition Service):** agency within the U.S. Department of Agriculture which is responsible for administering the National School Lunch Program, School Breakfast Program, Special Milk Program, Commodity School Program and other food assistance programs.

**FNSRO:** Food and Nutrition Service Regional Office.

**Food Stamp Household:** any individual or group of individuals currently certified to receive benefits under the Food Stamp Program.

**Free Meal:** a meal served under the National School Lunch or School Breakfast Program to a child from a household eligible for such benefits under 7 CFR Part 245 and for which neither the child nor any member of the household pays or is required to work in the school or in the school's food service.

**Free Milk:** milk served under the Special Milk Program to a child from a household eligible for free milk under 7 CFR Part 245 and for which neither the child nor any member of the household pays or is required to work in the school or in the school's food service.

**FSP:** The Food Stamp (FS) Program provides eligible households with food stamp benefits to help supplement their nutritional diets. Food Stamp benefits are used like cash and may be used to purchase eligible food products and various other products as approved by the Program. The amount of benefits an individual may receive is based upon the U.S. Department of Agriculture (USDA) Thrifty Food Plan. This plan is an estimate of what it costs to provide nutritious, yet inexpensive meals.

**Income Eligible:** any child from a household whose current income is at or below the household size/income limits set forth in the Income Eligibility Guidelines (IEGs) is eligible for either free or reduced-price meals or free milk, as applicable. Such households **MUST** provide household size and income information on the application for free and reduced-price meals or free milk to enable school officials to compare the household information to the IEGs.

**IEGs (Income Eligibility Guidelines):** the household size and income levels prescribed annually by the Secretary of Agriculture for determining eligibility for free and reduced-price meals and for free milk.

**LEA (Local Educational Agency):** the governing body which is responsible for the administration of one or more schools and either has the legal authority to operate the Program in these schools or is otherwise approved by the Food and Nutrition Service to operate the Program.

**NSLP (National School Lunch Program):** program under which participating schools operating a nonprofit food service receive general and special cash assistance and donated food assistance in accordance with 7 CFR Part 210.

**Non-Pricing Program:** all meals are provided free to all enrolled students despite their eligibility status. Meals are claimed for reimbursement by the students' eligibility status.

**Overt Identification:** any act that openly identifies children as eligible for free or reduced-price benefits in the National School Lunch, School Breakfast or Special Milk Programs.

**Reduced-Price Meal:** a meal served under the National School Lunch or School Breakfast Program to a child from a household eligible for such benefits under 7 CFR Part 245. The price of this meal **MUST** be less than the full price of the meal and no more than 40 cents per lunch and 30 cents per breakfast. Neither the child nor any household member can be required to work in the school or in the school's food service to supplement the cost of the meal.

**RCCI (Residential Child Care Institution):** any distinct part of a public or nonprofit private institution which (1) maintains children in residence, (2) operates principally for the care of children and (3) if private, is licensed by the State or local government to provide residential child care services under the appropriate licensing code.

**SAIS:** The Student Accountability Information System (SAIS) is an administrative application that collects student detail information using the Internet. SAIS enables schools to electronically submit raw student and school data for data processing and reporting. SAIS provides essential information to educators, legislators and parents about the budgets, expenditures, and achievement levels of schools. All Local Education Agencies (LEAs) – school districts and charter holders – are required to submit student detail information to the SAIS database.

**SBP (School Breakfast Program):** program under which participating schools operating a nonprofit food service receive cash assistance in accordance with 7 CFR Part 220.

**School Nutrition Programs:** National School Lunch Program, School Breakfast Program, Special Milk Program and Commodity School Program.

**School Official:** a designated official who represents a governing body, (i.e., principal, superintendent or other administrators).

**SMP (Special Milk Program):** program under which participating schools operating a nonprofit milk program receive cash assistance for each half-pint of milk served in accordance with 7 CFR Part 215.

**7 CFR Part 245:** regulations governing the determination of eligibility for free and reduced-price meal benefits in the National School Lunch and School Breakfast Programs and for free milk in the Special Milk Program.

**Special Assistance Certification and Reimbursement Alternatives:** three optional alternatives for free and reduced-price meal application and claiming procedures in the National School Lunch and School Breakfast Programs. For further guidance, contact the Arizona Department of Education, School Health and Nutrition Programs.

**SA (State Agency):** Arizona Department of Education, School Health and Nutrition Programs.

**TANF:** Temporary Assistance for Needy Families (TANF) provides assistance and work opportunities to needy families by granting states the federal funds and wide flexibility to develop and implement their own welfare programs. TANF benefits or services include the following:

Cash Assistance (CA), which may include, but is not limited to the following:

CA Grant Diversion, Kinship Care, Kinship Foster Care, Legal Permanent Guardian, Tribal TANF programs, Child Care services identified by CCA and Jobs Administration services.

**USDA (United States Department of Agriculture):** Federal agency designated by Congress to administer the National School Lunch, School Breakfast and Special Milk Programs.

## UNDERSTANDING FREE AND REDUCED PRICE POLICIES

The National School Lunch, School Breakfast, and Special Milk Program fall under the Richard B. Russell National School Lunch Act (NSLA). The NSLA was signed into law by President Harry Truman on June, 4<sup>th</sup> 1946 and provided federal funds and commodities to school lunch and milk programs in response to the diet-related health problems seen in American men attempting to join the military during World War II. The current regulations regarding NSLA and its qualifying programs are found in the Code of Federal Regulations.

The Code of Federal Regulations is a codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles, which represent broad areas subject to Federal regulations. Each title is divided into chapters, which are divided into parts that cover specific regulatory areas.

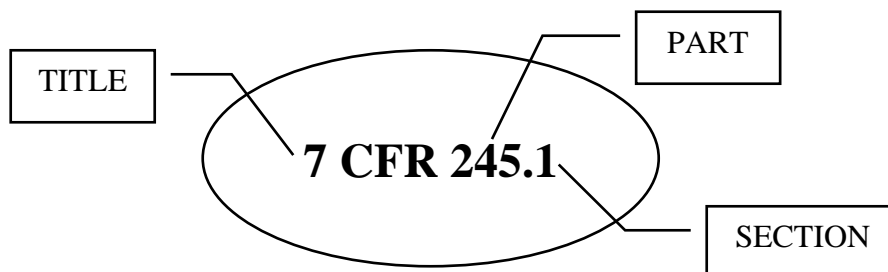
Title 7 of the Code of Federal Regulations is composed of fifteen volumes, which are subsequently broken into parts. The Food and Nutrition Service current regulations are in the volume containing parts 210-299.

Throughout the Free and Reduced-Price Policy Handbook are citations.

e.g. (7 CFR 245.1)

These citations indicate the title, part, and section of the Code of Federal Regulations that is utilized for each segment.

Specifically, the citation (7 CFR 245.1) indicates that the material cited came from Title 7, Part 245, Section 1 of the Code of Federal Regulations.



Congress reauthorizes the Child Nutrition Programs under 7 CFR, Section 210-299 every four to five years. Reauthorization is the continuation or subsequent authorization of a federal grant program by Congress. The statute reauthorizing a program may include one or more, often significant, changes to the original or previously authorized statute.

The Arizona Department of Education is the State Agency that has been designated to administer the School Nutrition Program in schools as specified in 7 CFR 210.3. As the designated State Agency, the Arizona Department of Education has the authority to enforce the applicable federal regulations.

## **FREE AND REDUCED PRICE PROCESS BEST PRACTICE**

### **STEP 1**

Utilize eligibility status from previous year for the first 30 operating days.

### **STEP 2**

After July 1<sup>st</sup> and no more than 30 calendar days prior to the first day of school, conduct a District Wide Upload File Search (SAIS ID or Standard Format) prior to mailing out income applications to families at the beginning of the year.

### **STEP 3**

Obtain the school's documented migrant/homeless/runaway list from the school's liaison responsible for assisting migrant, homeless, and runaway students.

Note: The list should consist of student names, dates, and the migrant/homeless/runaway liaison's signature.

### **STEP 4**

Students that were included in the match results or part of the school's documented migrant/homeless/runaway list should be placed in the FREE category and a Notification Letter for free meal benefits should be sent to the household within ten working days of certification.

### **STEP 5**

Send Household Applications for Free and Reduced Price Meals to families/students that were not included in match results or on the school's documented migrant/homeless/runaway list, without overtly identifying those students already qualified for Free meals.

### **STEP 6**

Using the returned Household Applications, determine eligibility status based on income and household size or on an FDPIR, Cash Assistance (CA), or Food Stamp (FS) case number.

Send notification of meal benefits to families who qualify within ten working days of the receipt of the application.

Note: Household Applications listing FDPIR, CA, or FS case numbers must also have the child(ren)'s names and an adult signature to be considered a complete application and qualify the child(ren) for free meals.

**Send Notification Letter for denial of free meal benefits to families who do not qualify based on income or who have submitted an incomplete application within ten working days of determining the eligibility of the student(s) on the Household Application.**

## **PUBLIC ANNOUNCEMENT ABOUT BENEFITS**

### **Public (Media) Release**

7CFR245.5(a)(2)

- Near the beginning of the school year, an announcement **MUST** be made to notify the public of the availability of the NSLP, SBP, SMP and Food Commodity Program. The notice **MUST** include the eligibility criteria for free and reduced-price meals and/or free milk (See Appendix A). The public announcement is provided by the LEA to the local news media.
- The LEA is required to submit a public/press release to local employment offices and major employers contemplating layoffs in the attendance area of the school.
- Copies of the public release **MUST** be made available upon request to any interested person.
- A sample public release for free and reduced-price meals is included in Appendix A.

**Notice to  
Households  
(Parent  
Letter)**

7CFR245.5(a)(1)

- A letter or notice notifying households about the availability of the school nutrition programs is to be distributed at the beginning of each school year. This letter **MUST** also state the option of free and reduced-price benefits **and** an application form **MUST** be distributed to all households of children in attendance at the school who were not determined eligible through Direct Certification match results or from the migrant/homeless/runaway list (See Appendix B for the sample Parent Letter and Household Application). The application should not be distributed earlier than July 1<sup>st</sup>, or no more than 30 days prior to the beginning of the school year, whichever is later.
- In schools participating in the NSLP, SBP, or Food Commodity Program, any notice to households must contain only the **reduced price** guidelines with an explanation that households with incomes at or below the reduced price limits are eligible for either free or reduced price meals.
- The letter/notice should be sent to households of all school children as early as possible in the school year so that eligibility determinations may be made and free and reduced-price benefits provided as soon as possible.
- New students enrolling in school after the school has started must be provided a letter/notice and application form when they enroll.
- Schools participating in Special Assistance need only notify and certify households during the base year.
- School districts must notify the household's of children whose free meal benefits were determined from the CNP Direct Certification System. Households that receive Food Stamps or CA may submit an application with a case number or income information if they are not notified of their eligibility by the school.

**Foreign  
Language  
Translations**

28CFR42.405(d)(1)

- Where a significant number or proportion of the population eligible to be served in the LEA needs information in a language other than English, LEAs **MUST** make reasonable efforts, considering the size and concentration of such population, to send appropriate non-English language household letters/notices and application forms to such households. Appropriate forms are available from the State Agency. In addition, the Food and Nutrition Service (FNS) web site contains additional samples of translated application material: [www.fns.usda.gov/cnd](http://www.fns.usda.gov/cnd)
- Schools are encouraged to provide households with assistance in completing applications through the use of foreign language personnel.

## **FREE AND REDUCED-PRICE POLICY**

### **Basic Requirement** 7CFR245.1(a)

- All schools participating in the federally-assisted National School Lunch and School Breakfast Programs **MUST** make available, as applicable, free and reduced-price lunches and breakfasts, and, at the option of the School Food Authority for schools participating in the Special Milk Program, free milk to eligible children.
- The basic free and reduced-price policy requirements consist of a permanent-policy statement, a public release, a parent letter and application, the Local Education Agency's (LEA) collection procedures and the Income Eligibility Guidelines as issued by USDA.

### **Policy Statement** 7CFR245.10(a)

- Each LEA participating in the NSLP, SBP, or the SMP with the free milk option, **MUST** have an approved free and reduced-price policy statement on file at the SA.

### **Free and Reduced-Price Reimbursement** 7CFR245.6(e) 7CFR210.15(b)(4)

- The LEA or school **MUST** have a valid application on file for each child served a meal or milk meeting program requirements that is claimed for Federal reimbursement at the free or reduced-price rate. A valid application is one which is complete and has been correctly approved for free or reduced-price benefits.
- LEAs are required to keep all Direct Certification match results as documentation for Directly Certified students.
- RCCI's are not required to maintain free and reduced-price applications for eligible children and may document eligibility by other means. For more information on this process, see the RCCI Guidance manual, or LEAs may contact the Arizona Department of Education, School Health and Nutrition Programs.

